

**Below is the pertinent subdivision of §10111.2. “Full Compliance Audit Penalty Schedules; Target Audit Penalty Schedule,” which sets forth the draft proposal for audit penalties for WCIS violations:**

(b) (28) The penalty for each failure to report and/or failure to report accurately to the Workers’ Compensation Information System (WCIS) mandatory information pursuant to section 9700 et. seq. is as follows. The total amount of penalties assessed against a claims administrator in a calendar year for each type of violation listed shall not exceed \$5,000. Penalties assessed pursuant to this section shall only apply to violations occurring on or after September 1, 2005.

(A) If the failure to comply with WCIS reporting requirements is due to a system failure, the Audit Unit, upon notification and confirmation of the system failure, may waive all or part of the penalty amounts.

(B) \$500 for each failure to report either of the following from within a claim file: the data elements from the Employer’s First Report of Occupational Injury; or the claims administrator’s name; or the identity of the claims administrator’s postal code (DN 14); or the denial of all liability notice, if any; or the Indemnity Payment, if any; or the data elements from the final report on a claim when it closes.

(C) The penalty for each failure to timely report the data elements from the Employer’s First Report of Occupational Injury claim information to WCIS pursuant to section 9702(b) is :

1. \$25 if the data elements were submitted 1 to 7 days late;
2. \$50 if the data elements were submitted 8 to 14 days late;
3. \$75 if the data elements were submitted 15 to 21 days late;
4. \$100 if the data elements were submitted 21 to 30 days late;
5. \$5,000 for failure to report any and all data elements from the Employer’s First Report of Occupational Injury claim information to WCIS.

(D) The penalty for each failure to timely report the data elements from the Indemnity Payment information to WCIS pursuant to section 9702(d) is:

1. \$25 if the data elements were submitted 1 to 7 days late;

2. \$50 if the data elements were submitted 8 to 14 days late;
3. \$75 if the data elements were submitted 15 to 21 days late;
4. \$100 if the data elements were submitted 21 to 30 days late;
5. \$5,000 for failure to report any and all data elements from the Indemnity Payment information to WCIS.

(E) The penalty for each failure to timely transmit corrected, updated or omitted data to WCIS pursuant to section 9702(f) is:

1. \$25 if the data was submitted 1 to 7 days late;
2. \$50 if the data was submitted 8 to 14 days late;
3. \$75 if the data was submitted 15 to 21 days late;
4. \$100 if the data was submitted 21 to 30 days late;
5. \$5,000 for failure to report any corrected, updated or omitted data to WCIS.

(F) The penalty for each failure to accurately identify the name of the claims administrator to WCIS is \$100.

(G) The penalty for each failure to accurately report the identity of the claims administrator postal code (DN 14) to WCIS is \$100.

(H) The penalty for each failure to timely submit the data elements from an annual report to WCIS pursuant to section 9702(g) is:

1. \$25 if the data elements were submitted 1 to 7 days late;
2. \$50 if the data elements were submitted 8 to 14 days late;
3. \$75 if the data elements were submitted 15 to 21 days late;
4. \$100 if the data elements were submitted 21 to 30 days late;
5. \$5,000 for failure to report any and all data elements from an annual report to WCIS.

(I) The penalty for each failure to timely report the issuance of a denial of all liability notice on a claim pursuant to section 9702(d) is:

1. \$25 if the data was submitted 1 to 7 days late;
2. \$50 if the data was submitted 8 to 14 days late;
3. \$75 if the data was submitted 15 to 21 days late;
4. \$100 if the data was submitted 21 to 30 days late.
5. \$5,000 for failure to report any and all data regarding the issuance of a denial of all liability on a notice of a claim to WCIS.

(J) The penalty for each failure to timely submit the data elements from a final report on a claim when it closes pursuant to section 9702(d) is:

1. \$25 if the data elements were submitted 1 to 7 days late;
2. \$50 if the data elements were submitted 8 to 14 days late;
3. \$75 if the data elements were submitted 15 to 21 days late;
4. \$100 if the data elements were submitted 21 to 30 days late;
5. \$5,000 for failure to report any and all data elements from a final report to WCIS.